UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GOTTLIEB DEVELOPMENT LLC,

Plaintiff,

v.

PARAMOUNT PICTURES CORPORATION,

Defendant.

08 CV 02416 (DC)

REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF DEFENDANT'S MOTION TO DISMISS

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REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF DEFENDANT'S MOTION TO DISMISS

Defendant Paramount Pictures Corporation ("Paramount") respectfully submits its Reply Memorandum of Law in further support of its motion to dismiss the Complaint of plaintiff Gottlieb Development LLC ("Gottlieb") for failure to state a cause of action.

PRELIMINARY STATEMENT

Gottlieb has asserted copyright infringement and unfair competition claims, arguing that the appearance of a pinball machine in a series of short shots totaling approximately 25 seconds in the film *What Women Want* (the "Film"), which was released in theatres approximately eight years ago. Notwithstanding the fact that two of Gottlieb's copyright designs are not visible at all in the Film and only portions of the third design appears, partially obscured, out of focus and in the background only, Gottlieb claims all of its copyrighted designs have been infringed. Despite Gottlieb's attempt to exaggerate the length of time that portions of its design are arguably visible in the Film, the Court can make is own assessment of what appears, how closely, and for what length of time. As a result, Paramount submits that the Court should conclude that none of the protectible elements appear in the Film with sufficient clarity or for a long enough period of time to be noticed by the ordinary observer.

Gottlieb's unfair competition claim fares no better. There is no allegation that the pinball machine was obtained improperly or altered in any way. Gottlieb does assert that Paramount has unfairly competed with it because the lead actor in the Film is allegedly an anti-Semite and viewers will be confused into believing that Gottlieb is associated with that actor and his off-screen activities. The allegation does not appear in the Complaint and, even if it did, would not be actionable. Surely, if the actor were shown in the Film riding in a Cadillac® automobile, the makers of Cadillac® cars could hardly allege unfair competition on the theory that the audience would attribute the actor's personal opinions to Cadillac.

The fact is that Gottlieb put the pinball machine into commerce and it was duly acquired by Paramount and utilized as a prop, unaltered, in the Film. Without more, there can be no trademark violation or unfair competition for such use.

ARGUMENT

I. Paramount's Taking of Gottlieb's Designs is *De Minimis* and Thus Not Actionable Under Copyright Law

Paramount makes no use of the Playfield Layout and Playfield Design and only a fleeting, out-of-focus use of the Backglass.[1] Such use is *de minimis* and, as a matter of law, a *de minimis* use does not rise to the level of "substantial similarity" which is required for a finding of infringement. *See Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 131 (2d Cir. 2003) (plaintiff "must establish substantial similarity or that the copying amounts to an improper or unlawful appropriation, i.e., (i) that it was protected expression in the earlier work that was copied and (ii) that the amount that was copied is more than de minimis." (internal quotation marks and citation omitted)).

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[1] The three designs at issue are defined in full in Paramount's moving brief.

A. The Court May Determine the Issue of Whether the Showing is *De Minimis* as a Matter of Law

While a motion to dismiss tests the sufficiency of the pleadings, Gottlieb has submitted a declaration with exhibits in which factual assertions are made which do not appear in the Complaint. Additional such assertions are made in Gottlieb's Memorandum of Law. They are inappropriate on this motion to dismiss and should be disregarded.

It is well-established in this Circuit that the Court may determine on its own whether a plaintiff's copyright claim is viable. In assessing copyright infringement, "the works themselves supersede and control contrary allegations and conclusions, or descriptions of the works as contained in the pleadings." *Walker v. Time Life Films, Inc.*, 615 F. Supp. 430, 434 (S.D.N.Y. 1985) (citation omitted), *aff'd*, 784 F.2d 44 (2d Cir. 1986).[2] Nor is expert testimony required; to the contrary, it is disfavored in cases involving non-technical works such as the illustrations at issue here. *See, e.g., Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 713 (2d Cir. 1992) ("The well-established rule in this circuit has been to limit the use of expert opinion in determining whether works at issue are substantially similar . . . [O]nce some amount of copying has been established, it remains solely for the trier of fact to determine whether the copying was 'illicit' . . ."); *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 123 (2d Cir. 1930) (Hand, J.)

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[2] Gottlieb claims that in the audio commentary to the DVD, the production designer "specifically states that the pinball machine is a crucial component of the scene's production design!" Opp. Br. at 7. This is incorrect. What the production designer says is that he wanted the team meeting room to have an informal feel that inspires creativity, so he added elements like a pinball machine and a light bulb on the wall. Notably, there are two pinball machines in the team meeting room, and the production designer does not make any reference to Gottlieb's pinball machine by name, type or other description. In any event, for purposes of this motion, the Court can make its own determination of what appears in the actual Film.

(expert testimony "ought not to be allowed at all"); *Costello v. Loew's Inc.*, 159 F. Supp. 782, 789 (D.D.C. 1958) ("No amount of expert or lay testimony as to fancied similarities could change the obvious content of the exhibits before the court . . . .").

As Gottlieb itself acknowledges, "the general test for substantial similarity looks to the response of the average audience, or ordinary observer, to determine whether a use is infringing." Opp. Br. at 6. It is beyond dispute that this Court is qualified to serve as that "ordinary observer" in deciding whether a defendant's taking is *de minimis* and thus does not constitute substantial similarity. Indeed, contrary to Gottlieb's argument (at 11), courts in this Circuit routinely grant motions to dismiss where the court finds that the element of substantial similarity is not met. *See, e.g., Adams v. Warner Bros. Pictures Network*, No. 05 CV 5211 (SLT) (LB), 2007 WL 1959022, at *5 (E.D.N.Y. June 29, 2007) (dismissal is proper if there is no substantial similarity, or if the court "concludes that the similarities pertain only to unprotected elements of the work"); *Boyle v. Stephens, Inc.*, No. 97 Civ. 1351, 1998 WL 80175, at **3-4 (S.D.N.Y. Feb. 25, 1998) ("It is well-established that a court may determine the absence of substantial similarity as a matter of law."); *Bell v. Blaze Magazine*, No. 99 Civ. 12342, 2001 WL 262718, at *3 (S.D.N.Y. Mar. 16, 2001); *Buckman v. Citicorp*, No. 95 Civ. 0773, 1996 WL 34158, at *3 (S.D.N.Y. Jan. 30, 1996), *aff'd*, 101 F.3d 1393 (2d Cir. 1996).[3]

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[3] The Second Circuit and this Court have indicated that a court may make a finding that a use is *de minimis* as a matter of law, without reference to anything but the two works at issue. *See e.g., Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 218 (2d Cir. 1998) (finding use of photographs to be *de minimis* as a matter of law); *DeBitetto v. Alpha Books*, 7 F. Supp. 2d 330, 334 (S.D.N.Y. 1988) ("While the drawing in *Guide II* is undeniably similar, if not identical, to one contained in *Puppy,* that single instance of copying is insufficient as a matter of law to support a claim of improper appropriation of protected expression"; granting motion for summary judgment before discovery); *see also Newton v. Diamond*, 204 F. Supp. 2d 1244, 1259 n.13 (C.D. Cal. 2002) ("Mere recognizability of a *de minimis* taking is insufficient to create a triable issue.") (citing *Sandoval*, 147 F.3d at 217). Accordingly, there is no reason why the Court cannot make that finding in granting a Rule 12(b)(6) motion to dismiss. Moreover, there is

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The analysis of the Film put forward by Gottlieb's brief is simply not valid. Gottlieb's brief states that the Backglass is visible for 74 seconds and the Playfield Layout and Playfield Design are visible for eight seconds, *see* Opp. Br. at 7. But an analysis of Exhibit 1 to the Declaration of Robert Fesjian ("Exhibit 1") shows that the brief significantly overstates the time in which these elements are visible. With respect to the Backglass, Exhibit 1 identifies the full Backglass as being "visible" in three short shots of one to two seconds in length each. The longest of these shots -- lasting two seconds -- is "not fully in focus." *Id.* Nowhere does Exhibit 1 identify any full, clear shot of the Backglass, in whole or in part, because none exists.[4] Moreover, Exhibit 1 asserts that the Playfield -- generally -- is "visible" for approximately four, not eight, seconds. Clearly, Mr. Fesjian's findings differ from those offered in Gottlieb's opposition brief. Ultimately, the Court can make its own determination as to duration and visibility.

B. Gottlieb Has Failed to Rebut Paramount's Argument that Any Use of the Designs Is *De Minimis*

Gottlieb proffers pages of argument that its copyrights are valid, but that has been conceded for purposes of this motion. *See* Moving Br. at 2, 5-6.

As to the basic issues of *de minimis* use, aside from claiming only that the "blinking lights on the Backglass and Playing Field" are visible, Opp. Br. at 8, Gottlieb does not rebut

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no reason to believe that the perception of the "ordinary observer" will be affected by anything offered to the Court after discovery.

[4] Both in its brief (at 8) and declaration, Gottlieb repeatedly references the visibility of "side cabinet" and the words "Silver Slugger," which appear on the side of the machine. Nowhere in the Complaint does Gottlieb claim that it has a property right in the side cabinet or the "Silver Slugger" logo. Accordingly, the references should be disregarded. Similarly, the allegations concerning the placement of a stool in the scene are, at best, bizarre. (*See* Opp. Br. at 8-9.) Whether or not the audience could see the alleged copyright notice has no effect whatsoever on Gottlieb's rights. Such notices have not been required by U.S. copyright law in over thirty years.

Paramount's observation that the designs for the Playfield Layout and Playfield Design are simply not visible in the Film. As to the Backglass, Gottlieb's suggestion that the depiction of baseball players on a field, or a baseball field itself, are protectible is simply wrong. *See* Moving Br. at 6; 17 U.S.C. § 102(b) (copyright protection for an original work does not extend to "any idea" or "concept" therein, "regardless of the form in which it is described, explained, illustrated, or embodied in such work."); *see also Kregos v. Associated Press*, 937 F.2d 700, 705 (2d Cir. 1991) (forms of expression essential to conveying an idea are not protected; otherwise "protection of the expression would effectively accord protection to the idea itself.").

It is a basic principle of copyright law that the existence of a "multitude of options," Opp. Br. at 13, does not make each option protectible. Players that are slightly enlarged for visibility; batter, outfielder and umpire positions; and a baseball field as perceived from the upper deck are *scenes á faire* that are so common to baseball-themed video games that they cannot be considered protectible in a substantial similarity analysis. *See, e.g., Incredible Technologies, Inc. v. Virtual Technologies, Inc.*, 400 F.3d 1007, 1014 (7th Cir. 2005) (golf-related images and standard video game screens were *scenes á faire*; no substantial similarity found between plaintiff's and defendant's golf video games); *Data East USA, Inc. v. Epyx, Inc.*, 862 F.2d 204, 209 (9th Cir. 1988) (no copyright protection accorded to game procedure, common karate moves, the idea of background scenes, a time element, a referee, computer graphics, and bonus points in karate-based video game). This is particularly true as well with respect to the field. Gottlieb chose the most familiar format: a grass-colored baseball field with clay-brown base paths. These are not proprietary to Gottlieb. To the extent the Court can perceive any relatively in-focus, protectible elements in the Film, the taking of these elements is *de minimis* and certainly not enough to render the appearance of the Backglass in the Film substantially similar to the overall, detailed appearance of the Backglass design that Gottlieb claims to own.

The foregoing demonstrates why the present case is unlike *Ringgold v. Black Entm't Television, Inc.*, where an artistic poster was "clearly visible," displayed between two main characters who obscured the work only at the fringes, and appeared nearly in full in several shots of three to five seconds in length, totaling 26.75 seconds in all, such that an average observer could "discern African-Americans in Ringgold's colorful, virtually two-dimensional style." 126 F.3d 70, 77 (2d Cir. 1997). The 1998 decision in *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215 (2d Cir. 1998) is more relevant. There, the claimed photographs, which appeared for 35.6 seconds, were never in focus, primarily in the background and often obstructed from view by one of the actors, and relief was denied. *Id.* at 218. *See also Gordon v. Nextel Commc'ns*, 345 F.3d 922, 925 (6th Cir. 2003) ("Because [plaintiff's] illustrations appear fleetingly and are primarily out of focus, we find their use to be *de minimis*."). Nor does the appearance of a work in the "background" require that the compulsory royalty rate provisions under 37 C.F.R. § 253.8 apply. As noted by the court in *Gordon v. Nextel*, if the use of the work is *de minimis*, the defendant is not obligated to pay anything to the owner of the work, regardless of whether it is "featured" or in the "background." *See* 345 F.3d at 924 (considering 37 C.F.R. § 253.8 but concluding that use was *de minimis* and affirming grant of summary judgment for defendant).[5]

[5] The language Gottlieb quotes from *Ringgold*, 126 F.3d at 77, for the proposition that license fees should be paid for set decoration, actually appears at 126 F.3d at 80, in the context of an analysis of the fourth factor (the "effect on the market" factor) of the fair use defense. As the Second Circuit has explained, it is error for a court to conduct an analysis of the four fair use factors where the use of the work is *de minimis*. *Sandoval*, 147 F.3d at 217 ("where the unauthorized use of a copyrighted work is *de minimis*, no cause of action will lie for copyright infringement, and determination of a fair use claim is unnecessary.").

II. Paramount's Use of Gottlieb's Pinball Machine, Bearing Gottlieb's Mark, Is Not Actionable Under the Lanham Act

A. The Lanham Act Permits a Purchaser's Use of a Seller's Trademark on That Seller's Goods

From the face of the Complaint, it is unclear what Gottlieb claims is unfair competition on the part of Paramount. For example, Gottlieb bases its claim on the fact that Paramount did not "receive[ ] authorization from plaintiff to use the trademark." Compl. ¶ 19. But it is axiomatic that a trademark owner cannot control what happens to a genuine product bearing a genuine mark after it is first sold to a consumer. *See Polymer Tech v. Mimran*, 975 F.2d 58, 61-62 (2d Cir. 1992) (explaining that trademark law does not reach the sale of genuine goods bearing a true mark even if not authorized by the mark owner). "The resale or advertising for sale of the plaintiff's genuine article in its original form, under the plaintiff's trademark, affixed by the plaintiff's authorization, is not trademark infringement." 4 *Callmann on Unfair Competition, Trademarks and Monopolies*, § 22:17 (4th ed.) (citations omitted); *see also Enesco Corp. v. Price/Costco Inc.*, 146 F.3d 1083, 1085 (9th Cir. 1998) ("confusion ordinarily does not exist when a genuine article bearing a true mark is sold" (citation omitted)). Because, as even Gottlieb admits, Paramount "has used plaintiff's trademark exactly as it appears on plaintiff's goods" and "did not separately add it somewhere to describe plaintiff's goods," Opp. Br. at 20,[6] Paramount's use of Gottlieb's mark falls outside the scope of liability.

Gottlieb's brief goes well beyond the allegations of the Complaint in asserting that Gottlieb is upset that its product appears in a motion picture in which one of the lead actors, years after the Film's release, was reported to have displayed anti-Semitic behavior (either himself or via association with his father). For this reason, the assertions in its brief should not be considered on the motion. Moreover, regardless of how Gottlieb perceives the effect of such use on its business reputation, the Lanham Act in no way prohibits Paramount's use of the pinball machine any more than it prohibits a book publisher from incorporating photographs of Nazi generals in Mercedes-Benz automobiles. *See* Paramount's Moving Br. at 9 (citing cases dismissing unfair competition claims where an alleged indicator of source, *e.g.*, a building[7] or a cartoon character, was incorporated in an expressive work).

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[6] This statement in Gottlieb's opposition brief cannot be reconciled with Gottlieb's allegation in its Complaint that the "use of the said trademark . . . by the defendant . . . is a false description and representation that plaintiff's goods are made by, sponsored by, or otherwise affiliated with defendant" (Compl. ¶ 19) when Gottlieb's mark -- but no mark of Paramount's -- appears on Gottlieb's pinball machine exactly as Gottlieb has authorized.

B. Plaintiff's Theory of Confusion from Paramount's Use of Gottlieb's Pinball Machine Is Not Actionable

Gottlieb's alleged concern about the effect that the use of its own mark on the pinball machine will have on its reputation does not provide a basis to sustain a § 43(a) claim.[8] *See Federal Express Corp. v. Federal Espresso, Inc.*, 201 F.3d 168, 174 (2d Cir. 2000) ("The hallmark of infringement in violation of [section 43(a)] is likelihood of confusion.").

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[7] Gottlieb is incorrect to suggest that in *Sherwood 48 Associates v. Sony Corp. of Am.*, the plaintiff's inability to articulate its claimed trade dress was the primary reason that the court dismissed the claim; the Court noted lack of possible confusion as well. *See* 213 F. Supp. 2d 376, 377 (S.D.N.Y. 2002) ("As to plaintiffs claim of confusion - as between whom was any purchasing decision affected?" (citing *Lang v. Retirement Living Publ'g Co., Inc.*, 949 F.2d 576 (2d Cir. 1991))). Gottlieb seems to have a similar difficulty delineating its trademark rights, referring in its opposition not only to the mark on the Supplemental Register referred in the Complaint, but also to a separate trademark registration not pled in the Complaint, as well as the "side cabinet," the words and/or logo "Silver Slugger," and the pinball machine as a whole. The newly identified trademark registration may appear on the Principal Register, but it was not registered until 2007, *after* the Film and DVD were distributed. Accordingly, it cannot retroactively be asserted against Paramount. For purposes of this Motion, only those rights asserted in the Complaint should be considered.

[8] Gottlieb's § 349 claim, like its other trademark-based claims, does not meet the relevant pleading standards. *See* Moving Br. at 12 n.9; *see also U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F. Supp. 2d 158, 176 (S.D.N.Y. 2001) ("Since trademark or trade dress infringement claims . . . fall outside the original intent of §§ 349 and 350 . . . federal courts have determined that the provisions require the sort of offense to the public interest which would trigger FTC intervention under 15 U.S.C.A. § 45.") (citations omitted; ellipsis in original).

The few cases that have considered the use of trademarks in motion pictures, however, have uniformly rejected claims similar to that at bar as unlikely to implicate a likelihood of consumer confusion. For example, in *Caterpillar Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913, 917 (C.D. Ill. 2003), a bulldozer manufacturer sued a motion picture producer for trademark infringement where the defendant showed characters driving genuine Caterpillar bulldozers bearing Caterpillar trademarks with no apparent alterations, over a period of approximately eight minutes in the motion picture. Clearly, the bulldozers were a significant focus of the scenes. Nonetheless, in denying the plaintiff's request for a temporary restraining order, the court called the plaintiff's § 43(a) claim into question:

> "It is the seeming absence of any indication of Defendants' intent to somehow poach or free-ride on the fame and goodwill of Caterpillar's trademarks that troubles the Court with regard to Caterpillar's unfair competition claim. Caterpillar's position seems to be simply that its products and trademarks appeared in [the film] without authorization in four scenes and that the appearance of its trademarks and products should be sufficient to constitute unfair competition under § 43(a) of the Lanham Act. Part of what drives the Court's discomfort with Caterpillar's position is the fact that the appearance of products bearing well known trademarks in cinema and television is a common phenomenon. . . . Is the mere appearance of a Ford Taurus in a garden variety car chase scene sufficient by itself to constitute unfair competition?"

Id. at 919-20. *See also Wham-O, Inc. v. Paramount Pictures Corp.*, 286 F. Supp. 2d 1254, 1262 (N.D. Cal. 2003), *appeal dismissed*, 101 Fed. Appx. 248 (9th Cir. 2004) ("There is nothing in the record to suggest that defendant's use of plaintiff's marks 'creates a likelihood that the consuming public will be confused as to who makes what product.' . . . Consumers and viewers will not mistake plaintiff for a movie production house, and consumers and viewers will not mistake defendants for a purveyor of toys." (quoting *Brother Records, Inc. v. Jardine*, 318 F.3d

900, 908 (9th Cir. 2003); motion for temporary restraining order denied). Confusion is no more likely in the case at bar.[9]

Gottlieb's efforts to dissect Paramount's authority are unavailing because, among other reasons, the appearance of the trademarks in *Caterpillar* and *Wham-O* was far more prominent than in the present case.[10] Here, Gottlieb itself calculates that its mark is visible in the background of a three-second shot and two two-second shots, *see* Exhibit 1 to Fesjian Decl., yet provides no explanation of how it is plausible that anyone has made the suggested link between Gottlieb and Paramount. If the plaintiff's claim in *Caterpillar* was only "slightly more than negligible," 287 F. Supp. 2d at 920, Gottlieb's claim here certainly does not rise "above the speculative level," *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1965 (2007), sufficient to withstand a motion to dismiss.

[9] Gottlieb's rejection of *Wham-O* on procedural grounds has already been addressed and repudiated by the cases cited in Paramount's moving brief. For example, the court in *Felix the Cat Prodns. Inc. v. New Line Cinema Corp.*, 54 U.S.P.Q.2d 1856, 1858 (C.D. Cal. 2000), granted a 12(b)(6) motion to dismiss plaintiff's trademark infringement and unfair competition claims arising from use of plaintiff's "Poindexter" design mark in defendant's motion picture.

[10] Gottlieb is also incorrect to suggest that the concept of *de minimis* use does not apply in the trademark context. If *de minimis* use is insufficient to establish trademark rights, there is no reason why *de minimis* use is sufficient to sustain a trademark infringement claim. *See, e.g., Paramount Pictures Corp. v. White*, 31 U.S.P.Q.2d 1768, 1773 (T.T.A.B. 1994) (finding that applicant had not established "use in commerce" where advertising and distribution of mark was "de minimis.").

CONCLUSION

For the foregoing reasons, and for the reasons set forth in its moving papers, defendant Paramount Pictures Corporation respectfully requests that the Court grant its motion to dismiss plaintiff Gottlieb Development LLC's complaint, and for such other and further relief as may be just and proper.

Dated: New York, New York
August 11, 2008

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By: ____________________

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